

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

v.

JOSEPH KENNY BATTS,
[REDACTED]

: Hon. *Michael A. Shipp*

: Criminal No. 18- *215*

: 18 U.S.C. § 371;

: 26 U.S.C. § 7206(2)

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

COUNT 1

(Conspiracy to Defraud the United States)

1. From at least in or about 2009 to in or about April 2015, defendant JOSEPH KENNY BATTS ("defendant BATTS") was a co-owner of Tax Pro's, a tax return preparation and payroll business located in Essex County, New Jersey, where he prepared federal income tax returns for a fee. After defendant BATTS discontinued Tax Pro's, in or about January 2016, he became the owner of Tax Solutions & Associates (a/k/a, Tax Associates and Tax Solutions), a tax return preparation business located in Union County, New Jersey, and continued to prepare federal income tax returns for a fee.

2. [REDACTED] TONY V. RUSSELL ("[REDACTED] RUSSELL"), a resident of Baltimore County, Maryland, was employed as a tax preparer at Tax Pro's from at least in or about February 2013 to in or about April 2015 and Tax Solutions & Associates from in or about January 2016 to in or about February 2017, and prepared federal income tax returns for a fee.

3. [REDACTED] ANGELO K. THOMPSON ("[REDACTED] THOMPSON"), a resident of Baltimore County, Maryland, was employed to assist with the preparation of tax returns at Tax Pro's from at least in or about February 2013 to in or about April 2015 and as a tax preparer at

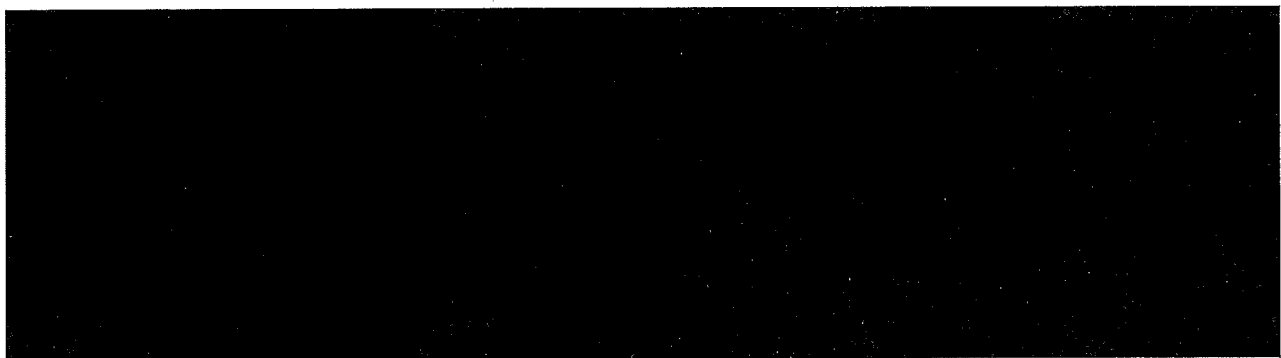
Tax Solutions & Associates from in or about January 2016 to at least in or about April 2016, and prepared federal income tax returns for a fee.

4. Damien Askew ("ASKEW"), a resident of Union County, New Jersey, was the other co-owner of Tax Pro's and prepared federal income tax returns for a fee at Tax Pro's from at least in or about 2009 to in or about April 2015.

5. Another tax preparer (the "TAX PREPARER"), a resident of Essex County, New Jersey, was employed as a tax preparer at Tax Pro's from at least in or about 2009 to in or about March 2013, and prepared federal income tax returns there for a fee.

6. The Internal Revenue Service ("IRS"), an agency within the United States Department of Treasury, was responsible for administering and enforcing the tax laws of the United States, specifically, federal income tax laws.

7. The IRS required an individual who prepared or assisted in preparing federal income tax returns for compensation to obtain a preparer tax identification number ("PTIN"). A paid tax preparer was required to place his or her PTIN on each tax return that he or she prepared for compensation to identify the preparer of that particular tax return.



9. At times relevant to Count 1 of this Indictment, [REDACTED] RUSSELL, [REDACTED] THOMPSON, ASKEW, and the TAX PREPARER each had a PTIN.

10. From at least in or about February 2013 to in or about February 2017, in Essex and Union Counties, in the District of New Jersey and elsewhere, [REDACTED]

JOSEPH KENNY BATTS,
[REDACTED]

knowingly and intentionally did conspire and agree with [REDACTED] others to defraud the United States, by impeding, impairing, and defeating the lawful government functions of the IRS to ascertain, assess, collect, and refund income taxes.

Goal of the Conspiracy

11. It was a goal of the conspiracy for [REDACTED] BATTS, RUSSELL, and THOMPSON, and other individuals (including ASKEW and the TAX PREPARER) to generate increased referrals and repeat clients, enhance Tax Pro's business, and enrich themselves by preparing and filing with the IRS income tax returns that contained false information for the purpose of generating refunds in amounts that their clients were not entitled to receive, thereby impeding, impairing, and defeating the functions of the IRS to ascertain, assess, collect, and refund income taxes.

Means and Methods

12. It was part of the conspiracy that [REDACTED] BATTS, RUSSELL, and THOMPSON, and other individuals (including ASKEW and the TAX PREPARER) used fraudulent practices to unlawfully decrease their clients' taxable incomes and the amounts of tax due, and thereby obtain refunds in amounts that their clients were not entitled to receive, including:

- a. Fabrication and inflation of credits for education and childcare;
- b. Fabrication and inflation of deductions, such as charitable contributions and unreimbursed employee expenses; and

c. Fabrication and inflation of Schedule C business losses.

Defendant BATTS trained his co-conspirators to use these methods to generate refunds in amounts that their clients were not entitled to receive.

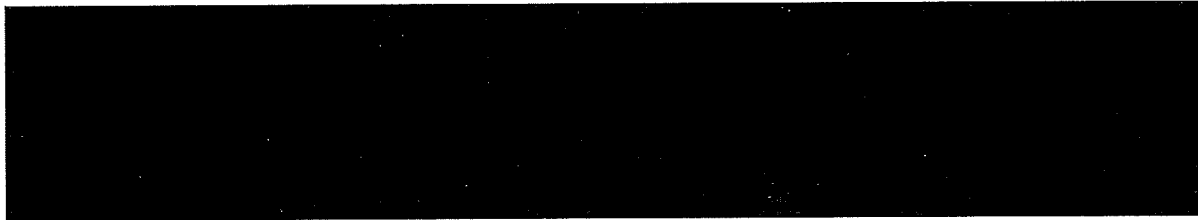
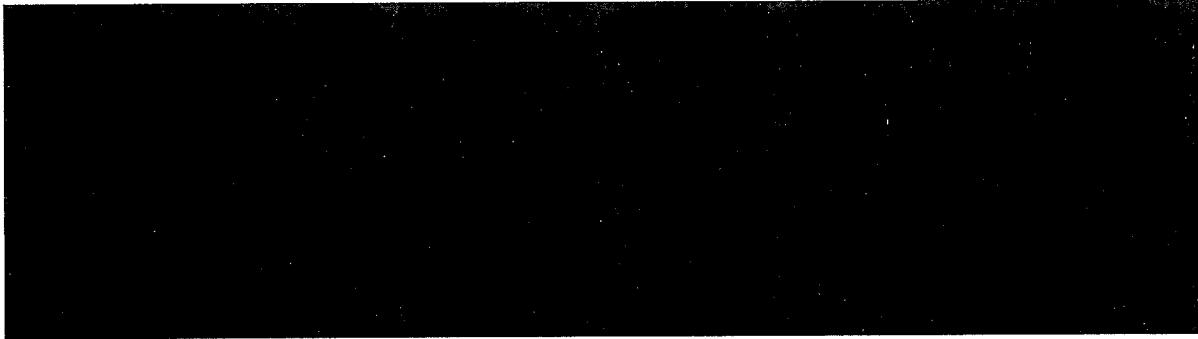
13. It was further part of the conspiracy that [REDACTED] BATTS, RUSSELL, and THOMPSON, along with ASKEW, obtained false and fraudulent Forms 1098-T that were provided to taxpayers and submitted to the IRS to support false education credits that were claimed on false federal income tax returns prepared at Tax Pro's and Tax Solutions & Associates.

14. It was further part of the conspiracy that defendant BATTS used the PTINs of [REDACTED] RUSSELL and other individuals (including ASKEW and the TAX PREPARER) when preparing tax returns in order to conceal his identity as the actual return preparer. [REDACTED]

[REDACTED]

15. It was further part of the conspiracy that, in or about January 2016, after a search warrant had been executed at Tax Pro's by law enforcement in or about April 2015, defendant BATTS discontinued Tax Pro's and opened Tax Solutions & Associates, where he, [REDACTED] RUSSELL and THOMPSON continued preparing false federal income tax returns.

16. It was further part of the conspiracy that, from in or about January 2016 to in or about February 2017, [REDACTED] BATTS, RUSSELL, and THOMPSON used various locations to prepare false federal income tax returns under the company name Tax Solutions & Associates, including office spaces in Union, New Jersey and a hotel in Elizabeth, New Jersey.



Overt Acts

19. In furtherance of the conspiracy and to effect its unlawful goal, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

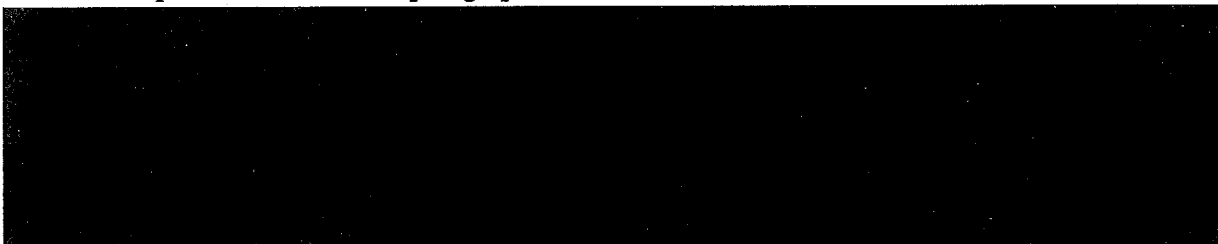
a. In or about February 2013, [REDACTED] RUSSELL began assisting defendant BATTS and the other co-conspirators in preparing federal income tax returns at Tax Pro's.

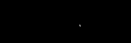
b. In or about February 2013, [REDACTED] THOMPSON began assisting defendant BATTS and the other co-conspirators in preparing federal income tax returns at Tax Pro's.

c. On or about February 7, 2013, defendant BATTS prepared a false federal income tax return, Form 1040, for tax year 2012, for Taxpayer "J.A.", using the PTIN of [REDACTED] RUSSELL.


d. On or about February 9, 2014, defendant BATTS prepared a federal income tax return, Form 1040, for tax year 2013, for Taxpayer "J.A.", using one or more of the fraudulent practices set forth in paragraph 12 above.

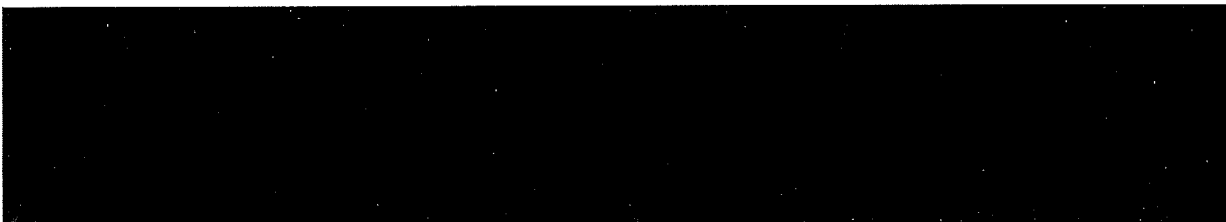
e. On or about January 30, 2015, defendant BATTS prepared a federal income tax return, Form 1040, for tax year 2014, for Taxpayer "J.A.", using one or more of the fraudulent practices set forth in paragraph 12 above.



g. On or about January 25, 2016,  BATTS, RUSSELL, and THOMPSON temporarily moved the tax preparation operations of Tax Solutions & Associates to a hotel in Elizabeth, New Jersey.

h. On or about February 6, 2016, defendant BATTS prepared a false federal income tax return, Form 1040, for tax year 2015, for Taxpayers "T.C. & M.C.", using the PTIN of another individual who was not involved in preparing the return.

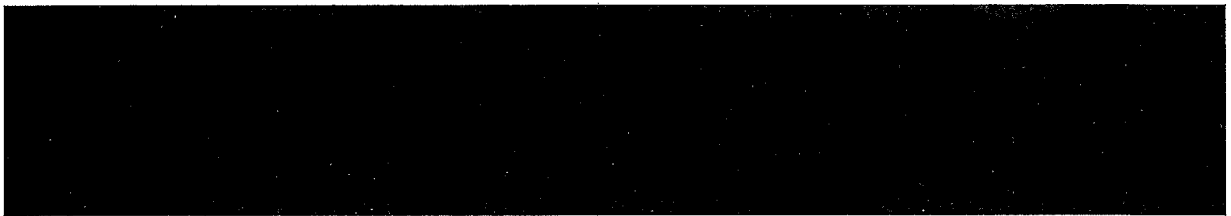
i. On or about February 7, 2016,  THOMPSON prepared a false federal income tax return, Form 1040, for tax year 2015, for Taxpayers "J.S. & K.S.", using the PTIN of another individual who was not involved in preparing the return.



k. In or about January 2017, defendants BATTS leased a different office space in Union, New Jersey, for Tax Solutions & Associates to continue tax preparation operations in 2017.

l. On or about February 5, 2017, defendant BATTS prepared a federal income tax return, Form 1040, for tax year 2016, for Taxpayers "J.S. & K.S.", using one or more

of the fraudulent practices set forth in paragraph 12 above.



In violation of Title 18, United States Code, Section 371.

COUNTS 2 TO 6
(Aiding and Assisting in the Preparation of
False Federal Income Tax Returns)

1. Paragraphs 1 to 9, 12 to 18, 19a to 19e, 19f, 19g, 19h, 19k, and 19l of Count 1 of this Indictment are incorporated by reference.

2. On or about the dates specified below, in the District of New Jersey, and elsewhere, defendant

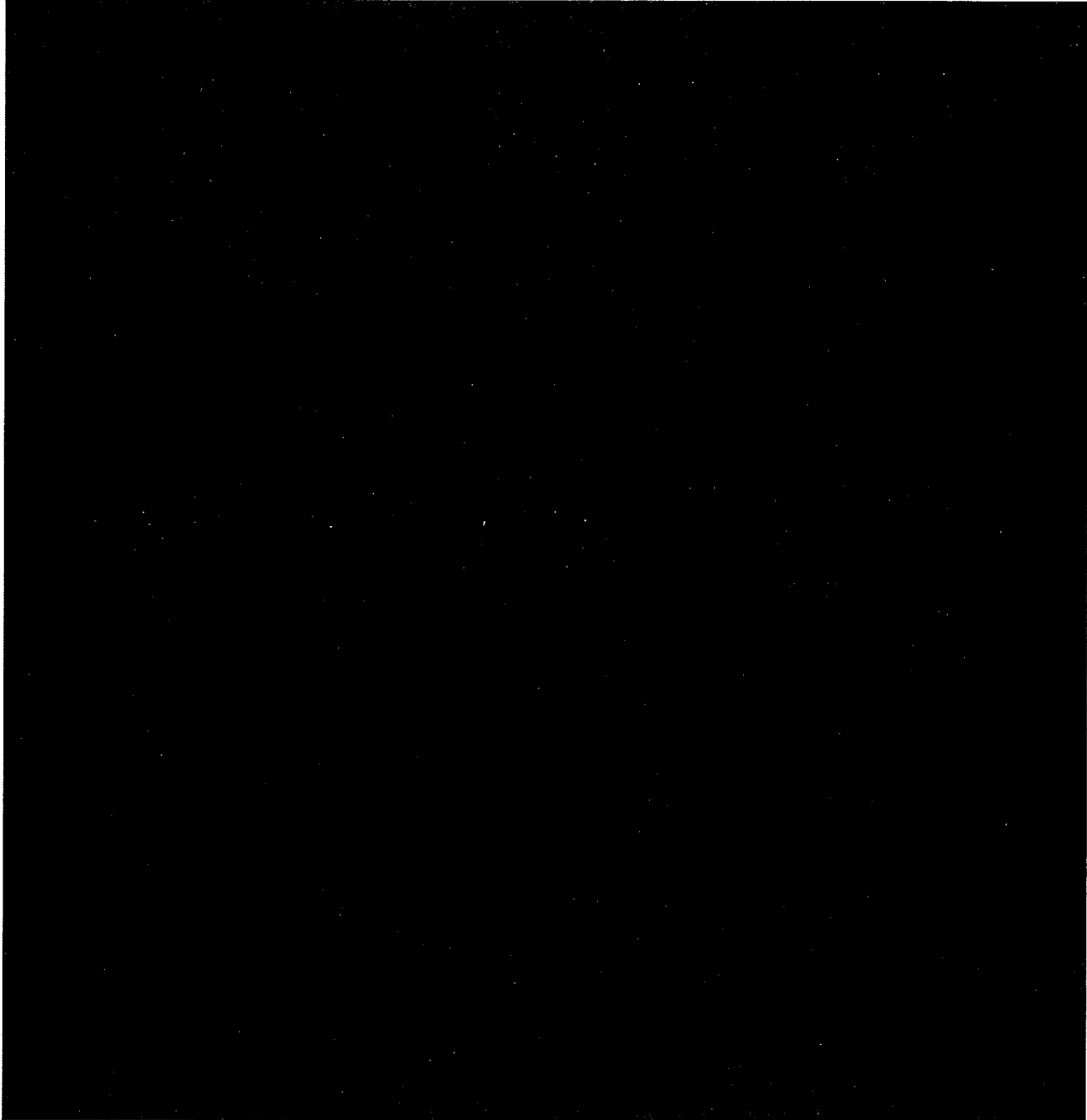
JOSEPH KENNY BATTS

did willfully aid and assist in and procure, counsel, and advise the preparation and presentation to the IRS of federal individual income tax returns, Forms 1040, for the individuals and tax years identified below, which were false and fraudulent as to material matters, including those described below, knowing that the returns were false and fraudulent.

Count	Taxpayer	Tax Year	Date Filed (on or about)	Refund Falsely Claimed (Approximately)	Falsely Claimed Item(s)
2	J.A.	2012	2/7/13	\$5,300	Education Credits
3	J.A.	2013	2/9/14	\$5,265	Child and Dependent Care Expenses; Education Credits
4	J.A.	2014	1/30/15	\$7,326	Child and Dependent Care Expenses; Education Credits; Loss on Schedule C
5	T.C. & M.C. (jointly filed)	2015	2/6/16	\$6,197	Loss on Schedule C; Gifts to Charity on Schedule A
6	J.S. & K.S. (jointly filed)	2016	2/5/17	\$5,107	Loss on Schedule C; Gifts to Charity on Schedule A

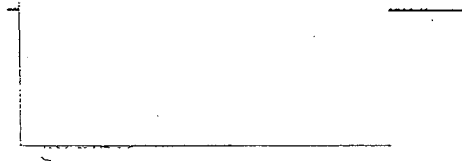
In violation of Title 26, United States Code, Section 7206(2).





Craig Carpenito

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United States Attorney



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